

## **Senate Bill No. 271**

### **CHAPTER 293**

An act to repeal, and to add, repeal, and add Section 6217 of, to add Section 6217.1 to, and to add Chapter 3.2 (commencing with Section 6230) to Part 1 of Division 6 of, the Public Resources Code, relating to State Lands Commission revenues, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 18, 1997. Filed with  
Secretary of State August 18, 1997.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 271, M. Thompson. State Lands Commission revenues.

Under existing law, with specified exceptions, revenue, money, and remittances received by the State Lands Commission are required to be applied to specified obligations in a prescribed order, including specified amounts deposited in the General Fund. Those provisions also contain provisions pertaining to the California Sea Grant Program.

This bill would repeal those provisions.

The bill would provide that the revenue, money, and remittances be applied first to the General Fund to make specified payments, then to the California Housing Trust Fund in the amount of \$2,000,000 each fiscal year, and then, as specified, to the Resources Trust Fund that the bill would create. The bill would create the Salmon and Steelhead Trout Restoration Account in the trust fund and create the Natural Resources Infrastructure Fund as an account in the trust fund. The bill would provide for the allocation of trust fund money between the account and the infrastructure fund, as prescribed. The bill would prescribe the uses of the money in the account and the infrastructure fund and specify related matters. These provisions would become inoperative July 1, 2003, and be repealed January 1, 2004.

The bill would provide for the Department of Fish and Game to grant funds from the account for fish habitat projects, as specified, subject to specified requirements.

The bill would relocate the provisions pertaining to the California Sea Grant Program.

The bill would require the Controller to transfer the sum of \$29,549,000 in revenue, money, and remittances received by the commission in the 1996–97 fiscal year to the General Fund.

The bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 6217 of the Public Resources Code is repealed.

SEC. 2. Section 6217 is added to the Public Resources Code, to read:

6217. (a) With the exception of revenue derived from state school lands and from sources described in Sections 6217.6, 6301.5, 6301.6, 6855, and Sections 8551 to 8558, inclusive, and Section 6406 (insofar as the proceeds are from property that has been distributed or escheated to the state in connection with unclaimed estates of deceased persons), the commission shall deposit in the State Treasury all revenue, money, and remittances received by the commission under this division, and under Chapter 138 of the Statutes of 1964, First Extraordinary Session, and those funds shall be applied to the following obligations in the following order:

(1) To the General Fund, the revenue necessary to provide in any fiscal year for the following:

(A) Payment of refunds, authorized by the commission, out of appropriations made for that purpose by the Legislature.

(B) Payment of expenditures of the commission as provided in the annual Budget Act enacted by the Legislature.

(C) Payments to cities and counties of the amounts specified in Section 6817 for the purposes specified in that section, and the revenues so deposited are appropriated for that purpose.

(D) Payments to cities and counties of the amounts agreed to pursuant to Section 6875.

(2) To the California Housing Trust Fund, each fiscal year, the amount of two million dollars (\$2,000,000).

(3) (A) To the Resources Trust Fund, which is hereby created in the State Treasury.

(B) The Controller shall transfer the sum of thirty million three hundred forty-seven thousand dollars (\$30,347,000) of the revenue, money, and remittances received by the State Lands Commission pursuant to this section in the 1997–98 fiscal year to the Resources Trust Fund. The Controller shall transfer the balance, if any, of all such revenue, money, and remittances received by the commission in the 1997–98 fiscal year to the General Fund.

(C) Commencing July 1, 1998, the Controller shall, after meeting the obligations in paragraphs (1) and (2), transfer the balance of all such revenue, money, and remittances received by the commission pursuant to this section in each fiscal year to the Resources Trust Fund.

(D) The money in the Resources Trust Fund shall be collected for the purposes of, and held in trust for, preserving and protecting the natural and recreational resources of the state, as specified in subdivisions (b) and (c) and in Section 6217.1.

(b) The Salmon and Steelhead Trout Restoration Account is hereby created in the Resources Trust Fund. The money in the account shall be appropriated in the annual Budget Act to the Department of Fish and Game for expenditure for the recovery of coho salmon, other species of salmon, and anadromous trout pursuant to Section 6217.1 of this code and Chapter 8 (commencing with Section 2760) of Division 3 of the Fish and Game Code.

(c) The Natural Resources Infrastructure Fund is hereby created as an account in the Resources Trust Fund. The money in the Natural Resources Infrastructure Fund shall be available for expenditure, upon appropriation by the Legislature, for the purposes of preserving and protecting the natural and recreational resources of the state in accordance with paragraph (3) of subdivision (d).

(d) (1) Of the amount deposited in the Resources Trust Fund for the 1997–98 fiscal year pursuant to subparagraph (B) of paragraph (3) of subdivision (a), the Controller shall transfer the sum of three million dollars (\$3,000,000) to the Salmon and Steelhead Trout Restoration Account, and the sum of twenty-seven million three hundred forty-seven thousand dollars (\$27,347,000) to the Natural Resources Infrastructure Fund.

(2) Commencing July 1, 1998, of the amount deposited for each fiscal year in the Resources Trust Fund pursuant to subparagraph (C) of paragraph (3) of subdivision (a), the Controller shall annually transfer eight million dollars (\$8,000,000) to the Salmon and Steelhead Trout Restoration Account. However, the Controller may transfer less than eight million dollars (\$8,000,000) if the Controller determines that the Resources Trust Fund will receive less than that amount during the fiscal year. If the Controller makes that determination, the Controller shall transfer the entire balance of the Resources Trust Fund to the Salmon and Steelhead Trout Restoration Account.

(3) If, after making the annual transfer required by paragraph (2), any money remains in the Resources Trust Fund, the Controller shall, commencing July 1, 1998, annually transfer the balance of the trust fund to the Natural Resources Infrastructure Fund. Priority for the use of the money in the Natural Resources Infrastructure Fund shall be given to the following:

(A) For expenditure by the Department of Fish and Game, upon appropriation by the Legislature, for environmental review and monitoring, consultation with lead agencies, recommending mitigation measures, and enforcement related activities pursuant to Division 13 (commencing with Section 21000).

(B) For expenditure, upon appropriation by the Legislature, for the purposes of land acquisition in Orange County and San Diego County pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code.



(C) For expenditure to meet the requirements of Section 2796 of the Fish and Game Code that are not met pursuant to Section 2795 of the Fish and Game Code, upon appropriation by the Legislature.

(D) For expenditure for nonpoint source pollution control programs of the State Water Resources Control Board and the California Coastal Commission, upon appropriation by the Legislature.

(e) The Controller shall transfer any unencumbered balances remaining in the Salmon and Steelhead Trout Restoration Account and the Natural Resources Infrastructure Fund on June 30 of each year to the General Fund.

(f) This section shall become inoperative on July 1, 2003, and, as of January 1, 2004, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 6217 is added to the Public Resources Code, to read:

6217. (a) With the exception of revenue derived from state school lands and from sources described in Sections 6217.6, 6301.5, 6301.6, 6855, and Sections 8551 to 8558, inclusive, and Section 6404 (insofar as the proceeds are from property that has been distributed or escheated to the state in connection with unclaimed estates of deceased persons), the commission shall deposit all revenue, money, and remittances received by the commission under this division, and under Chapter 138 of the Statutes of 1964, First Extraordinary Session, in the General Fund.

(b) This section shall become operative on July 1, 2003.

SEC. 4. Section 6217.1 is added to the Public Resources Code, to read:

6217.1. (a) For purposes of this section, “project” means an activity that improves fish habitat in coastal waters utilized by salmon and anadromous trout species.

(b) (1) The Department of Fish and Game shall grant funds from the Salmon and Steelhead Trout Restoration Account created in the Resources Trust Fund pursuant to paragraph (1) of subdivision (b) of Section 6217, as follows:

(A) At least 87.5 percent of the funds shall be allocated as project grants through the existing grant program operated by the fisheries management program of the Department of Fish and Game.

(B) Up to 12.5 percent of the funds may also be used for project contract administration activities and biological support staff.

(2) (A) A project shall require the consent of a willing landowner, and emphasize the development of coordinated watershed improvement activities.

(B) Projects that restore habitat for salmon and anadromous trout species that are eligible for protection as listed or candidate species

under state or federal endangered species acts shall be given top funding priority.

(C) Projects shall be cost-effective and treat causes and not symptoms of fish habitat degradation. Projects may implement instream, riparian, water quality, water quantity, and watershed prescriptions and shall be designed to restore the structure and function of fish habitat.

(c) (1) A citizen's advisory committee shall be appointed by the Director of Fish and Game, to give advice on the grant program.

(2) The advisory committee shall consist of five representatives from the California Advisory Committee on Salmon and Steelhead Trout, one representative from the agriculture industry, one representative from the timber industry, one academic or research scientist with expertise in anadromous fisheries restoration, and two county supervisors from coastal counties in which anadromous trout exist. The county supervisor members shall be recommended by the California State Association of Counties.

(3) The advisory committee shall provide oversight of, and recommend priorities for, grant funding under this section. In making funding decisions, the Department of Fish and Game shall consider the project selection priorities established by the advisory committee.

(d) The money in the Salmon and Steelhead Trout Restoration Account shall be allocated as follows:

(1) Not less than 65 percent of the money shall be used for salmon habitat protection and restoration projects. Of that amount, at least 75 percent shall be used for watershed (upslope) and riparian area protection and restoration activities.

(2) Up to 35 percent of the money shall be allocated for any of the following uses:

(A) Watershed evaluation, assessment, and planning necessary to develop a site-specific and clearly prioritized plan to implement watershed improvements.

(B) Multiyear grants for watershed planning and project monitoring and evaluations.

(C) Watershed organization support and assistance.

(D) Project maintenance and monitoring after the project implementations are complete.

(E) Public school watershed and fishery conservation education projects.

(F) Private sector technical training and education project grants, including teaching private landowners about practical means of improving land and water management practices that, if implemented, will contribute to the protection and restoration of salmon stream habitat; scholarship funding for workshops and conferences that teach restoration techniques; operation of nonprofit

restoration technical schools; and production of restoration training and education workshops and conferences.

(G) California Forestry Incentive Program (CFIP) projects that meet CFIP guidelines.

(H) The salmon restoration project of the California Conservation Corps.

(I) The state's share of the federal Watershed Stewards Program.

SEC. 5. Chapter 3.2 (commencing with Section 6230) is added of Part 1 of Division 6 of the Public Resources Code, to read:

#### CHAPTER 3.2. SEA GRANT PROGRAM

6230. An amount specified in the annual Budget Act shall be available for distribution for public and private higher education for use as up to two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966 (P.L. 89-688) approved, upon the recommendation of the advisory panel appointed pursuant to Section 6232, by the Secretary of the Resources Agency or the secretary's designee. The secretary shall submit a report to the Legislature on or before January 1, 1998, that evaluates this program and contains recommendations from the secretary and other interested parties on the benefits to the people of the State of California that are derived from the program and recommends whether or not to continue similar appropriations for subsequent fiscal years.

6231. There shall be a Sea Grant Advisory Panel consisting of 17 members as provided in Sections 6232, 6233, and 6234. The advisory panel shall do all of the following:

(a) Identify state needs that might be met through sea grant research projects, including, but not limited to, such fields as living marine resources, aquaculture, ocean engineering, marine minerals, public recreation, coastal physical processes and coastal and ocean resources planning and management, and marine data acquisition and dissemination, establish priorities for those needs, and transmit those needs and priorities to the Legislature not later than January 1 of each year and include them in all announcements of proposals for grants in the following fiscal year.

(b) Review all applications for funding under this section and make recommendations based upon the priorities it establishes.

(c) Periodically review progress on sea grant research projects subsequent to their approval and funding under this chapter.

(d) Make recommendations to the Secretary of the Resources Agency with respect to the implementation of this section.

6232. The Secretary of the Resources Agency shall appoint the following members of the advisory panel, who shall serve at the pleasure of the secretary:

(a) A representative of the Department of Boating and Waterways.

(b) A representative of the Department of Conservation.

(c) A representative of the Department of Fish and Game.

(d) The Executive Director of the California Coastal Commission or the executive director's designee.

(e) A representative of the fish industry.

(f) A representative of the aquaculture industry.

(g) A representative of the ocean engineering industry.

(h) A representative of the University of California.

(i) A representative of the California State University.

(j) A representative of a private California institution of higher education that is participating in the National Sea Grant Program.

(k) A representative of the State Lands Commission.

(l) A representative of the Office of Environmental Health Hazard Assessment.

(m) A representative of the State Water Resources Control Board.

(n) A representative of the Office of Oil Spill Prevention and Response in the Department of Fish and Game, designated by the administrator for oil spill response.

6233. (a) The Senate Committee on Rules shall appoint one Member of the Senate to the advisory panel, who shall serve at the pleasure of the Senate Committee on Rules.

(b) The Speaker of the Assembly shall appoint one Member of the Assembly to the advisory panel, who shall serve at the pleasure of the Speaker. This member shall not be of the same political party as the member appointed by the Senate Committee on Rules.

6234. The Secretary of the Resources Agency, or the secretary's designee shall be a member of the advisory panel and shall serve as chairperson of the advisory panel.

6235. All advisory panel members shall serve without compensation.

6236. The Sea Grant research projects selected for the state support under this chapter shall have a clearly defined benefit to the people of the State of California. Those projects, to be conducted by universities, colleges, or other institutions participating in the California Sea Grant College Program, shall be applicable to marine and coastal resources management, policy, science, and engineering issues that face this state now or in the reasonably foreseeable future.

6237. (a) The Legislature hereby finds and declares that the funding provided by this chapter is needed to stimulate the development and utilization of ocean and coastal resources by working constructively with private sector firms and individuals.

(b) The Legislature further recognizes the high productivity of the California Sea Grant College Program, the only statewide program systematically devoted to supporting fundamental

research, education, and extension activities on the diversity of problems related to marine resources protection and development.

6238. Nothing in this chapter shall be construed to preclude the application for funding of any project that would be eligible for funding under the terms of the National Sea Grant College and Program Act of 1966.

SEC. 6. On June 30, 1997, notwithstanding any other provision of law, the Controller shall transfer the sum of twenty-nine million five hundred forty-nine thousand dollars (\$29,549,000) in revenue, money, and remittances received by the State Lands Commission in the 1996-97 fiscal year pursuant to Section 6217 of the Public Resources Code, as described in subdivision (a) of Section 6217 of the Public Resources Code, to the General Fund.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 1997 at the earliest possible time, it is necessary that this act take effect immediately.

